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**Department of Justice**

U.S. Attorney's Office

Western District of North Carolina

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FOR IMMEDIATE RELEASE

Tuesday, April 2, 2019

## **The Founder And Chairman Of A Multinational Investment Company, A Company Consultant, And Two North Carolina Political Figures Are Charged With Public Corruption And Bribery**

Charlotte, N.C. – A federal criminal indictment unsealed today in the Western District of North Carolina charges the founder and Chairman of a multinational investment company, a company consultant, and two North Carolina political figures with public corruption and bribery, for their alleged participation in a bribery scheme involving independent expenditure accounts and improper campaign contributions.

Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division, U.S. Attorney Andrew Murray for the Western District of North Carolina and Special Agent in Charge John A. Strong of the FBI Charlotte Field Office, made the announcement.

The indictment charges Greg E. Lindberg, 48, of Durham, North Carolina, and founder and Chairman of Eli Global LLC (Eli Global) and the owner of Global Bankers Insurance Group (GBIG); John D. Gray, 68, of Chapel Hill, North Carolina and a consultant for Lindberg; North Carolina state political party Chairman Robert Cannon Hayes, 73, of Concord, North Carolina; and Chairman of a Chatham County political party and an Eli Global executive John V. Palermo, 63, of Pittsboro, North Carolina, with conspiracy to commit honest services wire fraud, and bribery concerning programs receiving federal funds and aiding and abetting. Hayes is also charged with three counts of making false statements to the FBI.

The defendants made their initial appearances today before U.S. Magistrate Judge David C. Keesler in federal court in Charlotte.

“The indictment unsealed today outlines a brazen bribery scheme in which Greg Lindberg and his coconspirators allegedly offered hundreds of thousands of dollars in campaign contributions in exchange for official action that would benefit Lindberg's business interests,” said Assistant Attorney General Benczkowski. “Bribery of public officials at any level of government undermines confidence in our political system. The Criminal Division will use all the tools at our disposal—including the assistance of law-abiding public officials—to relentlessly investigate and prosecute corruption wherever we find it.”

“Thanks to the voluntary reporting of the North Carolina Commissioner of Insurance, we have uncovered an alleged scheme to violate our federal public corruption laws,” said U.S. Murray. “Improper campaign contributions erode the public’s trust in our political institutions. We will work with our law enforcement partners to investigate allegations of public corruption, safeguard the integrity of the democratic process, and prosecute those who compromise it.”

“These men crossed the line from fundraising to felonies when they devised a plan to use their connections to a political party to attempt to influence the operations and policies of the North Carolina Department of Insurance,” said Special Agent in Charge Strong. “The FBI will root out any and all forms of public corruption. We remain committed to ensuring those who violate the public’s sacred trust are held accountable.”

The criminal indictment alleges that in January 2018, the elected Commissioner of Insurance (Commissioner) of the North Carolina Department of Insurance (NCDOI) reported concerns to federal law enforcement about political contributions and other requests made by Lindberg and Gray, and agreed to cooperate with the federal investigation that was initiated.

According to allegations in the indictment, from April 2017 to August 2018, Lindberg, Gray, Palermo and Hayes devised a scheme to defraud and deprive the citizens of North Carolina of the honest services of the Commissioner, an elected State official, through bribery. As alleged in the indictment, the defendants engaged in a bribery scheme involving independent expenditure accounts and improper campaign contributions, for the purpose of causing the Commissioner to take official action favorable to Lindberg’s company, GBIG. As the indictment alleges, the defendants gave, offered, and promised the Commissioner millions of dollars in campaign contributions and other things of value, in exchange for the removal of NCDOI’s Senior Deputy Commissioner, who was responsible for overseeing regulation and the periodic examination of GBIG.

During the time frame relevant to the indictment, Lindberg, Gray, Palermo and the Commissioner held numerous in-person meetings at different locations, including in Statesville, North Carolina, and had telephonic and other communications with each other, and with Hayes, to discuss Lindberg’s request for the personnel change in exchange for millions of dollars, and to devise a plan on how to funnel campaign contributions to the Commissioner anonymously. In order to conceal the bribery scheme, Palermo allegedly set up, at the direction of Lindberg, two corporate entities to form an independent expenditure committee with the purpose of supporting the Commissioner’s re-election campaign, and funded the entities with \$1.5 million as promised to the Commissioner. Also, at Lindberg and Gray’s direction, Hayes allegedly caused the transfer of \$250,000 from monies Lindberg had previously contributed to a North Carolina state party of which Hayes was Chairman, to the Commissioner’s re-election campaign.

On or about Aug. 28, 2018, FBI agents interviewed Hayes about his involvement with and knowledge of the alleged improper campaign contributions. During the interview, Hayes allegedly lied to FBI agents about directing funds, at Lindberg’s request, from Lindberg’s campaign contribution to the North Carolina state political party to the Commissioner’s re-election campaign; about having any discussions with the Commissioner about Lindberg or Gray; and about discussing with the Commissioner personnel issues related to the Commissioner’s office.

The details contained in this indictment are allegations. The defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

The FBI is in charge of the investigation, which is ongoing.

Trial Attorney James C. Mann of the Criminal Division's Public Integrity Section and Assistant U.S. Attorneys William Stetzer and Dana Washington of the U.S. Attorney's Office in Charlotte are prosecuting the case.

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**Attachment(s):**

[Download Lindberg et al Indictment](#)

**Topic(s):**

Public Corruption

**Component(s):**

[USAO - North Carolina, Western](#)

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